

Turkish Economy on its Sustainable Growth Path to the EU

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During the past decade, the world has come to be aware more of Turkey as a result of her ever-growing economy. Turkey is, to some extent, perceived as a rising economic power in the international arena. Turkey further also belongs to the group of upper middle-income countries as categorized by the World Bank classification with 10,410 USD GNI per capita in 2011 in current prices. With the same manner, in the most recent document called the European Commission 2012 Progress Report for Turkey, Turkish economic performance was evaluated as progressive towards the economic convergence with the EU with macroeconomic stabilization.

This paper endeavors to examine whether a high degree of sustainable economic convergence has been achieved, whether the national legislation is compatible with the Treaty and whether Turkey has fulfilled the economic requirements to become an integral part of the Euro-zone. Sustainable growth path in Turkey is pursued in the sense that Turkish institutions and economic policies have sustainably improved and effective enough in order for the economy of the nation to cope with those of the EU's member states. In other words, this paper seeks to answer the question whether Turkish economy is ready to join the EU providing that there have been some reforms and changes in the institutions so far in addition to the capability to response to external shocks such as global financial crisis.

This study is an attempt to focus extensively on the economic imperatives of Turkey-EU relations under the circumstances created along with the aftermath of the European sovereign debt crisis since 2008. In line with the framework of the Maastricht criteria for a fruitful economic performance in lieu of competitive EU single market, this paper argues that recent economic development in Turkey has proved its success in meeting with those criteria. Moreover, with the evidence of the less severe impacts of global financial and economic crisis on Turkish economy, especially on the banking sector, Turkish institutions proved their effective precautionary policies ahead of the crisis. This paper, hence, also endeavors to evaluate Turkish monetary and fiscal policy responses to the global crisis to further conclude that Turkish economy is on its sustainable development path to be a comparable and competitive member in the European Union.

Keywords: European Union, Turkish Economy, Maastricht Criteria, Sustainable Growth, Monetary Policy, Fiscal Policy, Global Crisis.